GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:158
ANSWERED ON:03.08.2005
ROYALTY ON COAL
Athawale Shri Ramdas;Satpathy Shri Tathagata

Will the Minister of COAL be pleased to state:

(a) whether the Government proposes to review the existing regime on royalty on coal;

(b) if so, the details thereof;

(c) the date by which the revised rate of royalty is likely to be effected;

(d) the State-wise details of losses incurred by the State Governments due to non revision of royalty; `.

(e) whether the Govt. proposes to pay compensation to States in lieu of these losses; and

(f) if so, the details thereof, State-wise?

Answer

MINISTER OF STATE FOR COAL (DR. DASARINARAYANA RAO)

(a) to (f) A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No.158 for 3.8.2005 regarding royalty on coal asked by Shri Ramdas Athawale and Sfari Tathagata Satpathy.

(a) to (c) : Yes, Sir. The Government has constituted a Committee on 2.6.2005 under the Chairmanship of Additional Secretary, Ministry of Coal to consider revision of rates of royalty on coal and lignite in all its aspects. The Committee has been given three months time to submit its report to the Government.

(d) to (f) : Section 9(3) of the Mines & Minerals (Development & Regulation), Act 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any mineral by notification in the Official Gazette with effect from such date as may be specified in the notification. However, proviso to Section 9(3) of the Act prevents the Central Government from enhancing the rate of royalty in respect of any mineral more than once during any period of three years. The royalty rates on coal were last revised on 16.08.2002 and the next revision can be effected only after 15.08.2005. Revision of royalty rate is permitted once in three years but it is not mandatory. Decision to revise or not to revise royalty has to be taken keeping in mind general health of economy and impact of such revision on the overall economic growth of the country. As such the question of losses incurred by State Governments due to non revision of royalty does not arise.